

## USEFUL POINTS TO KNOW

### **What is being done to improve animal welfare in Indonesia?**

Australia is the only country in the world spending money to improve animal welfare outcomes in other countries. If Australia is not involved in the trade we will be displaced by another country that will not invest in animal welfare like we do.

A prolonged suspension would only penalize those operators in Indonesia who are doing the right thing and have invested a lot of their own money in improving animal welfare outcomes in Indonesia.

### **Why is the livestock export trade to Indonesia important for Northern Australia?**

Indonesia is Australia's largest export market for live cattle, taking more than 520,000 cattle in 2010 or 60% of all cattle exports. For many northern cattle producers the trade to Indonesia is the only viable option for their cattle.

Northern Australia is well suited to producing lean 'store' cattle, but fattening cattle in the north is tough, Indonesia is one of the most cost efficient producers of animal feed in the world, there is a natural synergy that needs to be further strengthened through co-operation to achieve mutual benefit.

There are limited opportunities for other industries in vast areas of Northern Australia. Serious environmental, economic and social impacts would occur without profitable beef cattle production. The Indigenous Land Corporation alone operates 12 pastoral businesses in Northern Australia managing 2.3million hectares employing 343 indigenous employees.

Profitability has already been stretched in Northern Australia, a study published last year showed the average beef producer was spending more than they were earning in 6 of the previous 7 years.

### **What alternative markets are there for the cattle?**

There are no export processors north of a line from Townsville in Queensland to Bunbury in south west Western Australia. The processors that used to operate in this area have closed due to problems with labour and the seasonality of supply caused by the wet season in the north.

The types of cattle exported to Indonesia are 300-350kg high Bos indicus (Brahman) content animals. These animals are not suited to processing in Australia due to their light weight and condition. Even when grown out and fattened this type of animal is not preferred by our domestic or major export markets for chilled and frozen beef.

### **Why can't we export frozen meat to Indonesia?**

Australia already exports a combination of live cattle, chilled and boxed beef to Indonesia to service different markets in that country.

For many in Indonesia, their meat is purchased fresh daily from 'wet' markets without refrigeration. This system relies on a supply of live cattle which are then fattened in Indonesian feedlots and processed for same day consumption. This system relies on a supply of live cattle which will be replaced by another market if Australia is prohibited from exporting.

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### **Why the urgency to start the trade up again?**

There are several reasons

- Firstly, the sooner the issue is resolved the smaller the financial and economic impact on producers and communities in the north and ends the uncertainty that is distressing these communities.
- Secondly a speedy resumption of trade lessens potential diplomatic repercussions or retaliatory trade actions that may impact on other commodities and areas of cooperation between Indonesia and Australia.
- Thirdly from a production point of view, the dry season provides a narrow window for the live export trade to occur. If the suspension lasts months it will narrow the gap before the next wet season commences in November. In addition, the Indonesian market requires light weight cattle below 350kg, the longer the suspension lasts, the more cattle go over this weight and become ineligible to supply that market.